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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

OMB APPROVAL	
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8- 51035

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 12/31/02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
Conifer Investments, L.L.C.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

5550 SW Macadam Avenue, Suite 330

(No. and Street)

Portland, Oregon 97239-3770

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Emily C. MacDonald

(503) 225-1977

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Mack, Roberts & Company, L.L.C.

(Name - if individual, state last, first, middle name)

4380 SW Macadam Avenue, Suite 590, Portland, Oregon 97239

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

FOR OFFICIAL USE ONLY	MAR 12 2003
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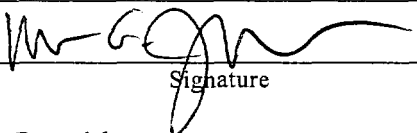
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Bruce A. Jamerson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Conifer Investments, L.L.C., as of December 31, 20 02, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



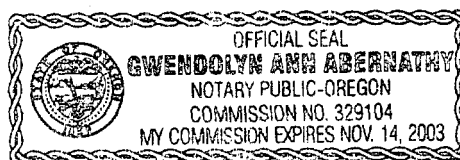
Signature

President

Title



Notary Public



This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of ~~Changes in Financial Condition~~ Cash Flows.
- ☒ (e) Statement of Changes in ~~Stockholders' Equity or Partners' or Sole Proprietors' Capital~~ Members' Equity.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditor's Report on Internal Control.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

CONIFER INVESTMENTS, L.L.C.
Portland, Oregon

Financial Statements and Supplementary Information
For the Year Ended December 31, 2002

**MACK
ROBERTS**
& COMPANY, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
4380 S.W. MACADAM, SUITE 590
PORTLAND, OREGON 97239
(503) 224-0860
(503) 248-6788 FAX

GEORGE E. MACK III
HARLEY C. ROBERTS, JR.
VAUGHN A. SCHNEIDER
KENNETH F. LAJOY
J. BREWSTER SOUTHWORTH III
ALAN N. RUDERMAN
BRENT D. TURNBULL
TIMOTHY C. HUFF
CHAD N. HERMAN
YVONNE McVAY
WESLEY RIEGER
WINDY L. McVICAR

January 13, 2003

To the Members
Conifer Investments, L.L.C.
5550 SW Macadam Avenue, Suite 330
Portland, Oregon 97239

At your request, we have audited financial statements and supplementary information for:

CONIFER INVESTMENTS, L.L.C.

as of December 31, 2002, and for the year then ended. We enclose the following:

- Independent Auditor's Report
- Statement of Financial Condition
- Statement of Income (Loss)
- Statement of Cash Flows
- Statement of Changes in Members' Equity
- Statement of Changes in Liabilities Subordinated to Claims of Creditors
- Notes to Financial Statements
- Supplementary Schedule 1 - Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission
- Independent Auditor's Report on Internal Control Required by SEC Rule 17a-5

Very truly yours,

MACK, ROBERTS & COMPANY, L.L.C.

A member of



www.mackroberts.com

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INDEPENDENT AUDITOR'S REPORT

To the Members
Conifer Investments, L.L.C.

We have audited the accompanying statement of financial condition of Conifer Investments, L.L.C. as of December 31, 2002, and the related statements of income (loss), changes in members' equity, changes in liabilities subordinated to claims of creditors, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Conifer Investments, L.L.C. as of December 31, 2002, and the results of their operations and their cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MACK, ROBERTS & COMPANY, L.L.C.
Portland, Oregon

January 13, 2003

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CONIFER INVESTMENTS, L.L.C.

Portland, Oregon

Statement of Financial Condition

December 31, 2002

Assets

Cash and cash equivalents	\$ 103,289
Accounts receivable - trade	420,000
Accounts receivable - expense reimbursements	15,958
Prepaid expenses	5,660
Furniture and equipment at cost, less accumulated depreciation of \$10,880	15,107
Securities owned, at estimated fair value	<u>13,100</u>
Total assets	<u>\$ 573,114</u>

Liabilities and Members' Equity

Liabilities:	
Accounts payable and accrued expenses	\$ 29,167
Commitments	
Subordinated borrowing	50,000
Members' equity	<u>493,947</u>
Total liabilities and members' equity	<u>\$ 573,114</u>

The accompanying notes are an integral part of these financial statements.

CONIFER INVESTMENTS, L.L.C.
Portland, Oregon

Statement of Income (Loss)
For the Year Ended December 31, 2002

Revenues:	
Investment banking	\$ 896,001
Dividends	132
	<u>896,133</u>
Expenses:	
Salaries and wages	138,762
Bonuses	44,000
Payroll taxes	16,051
Employee benefits	13,958
Office space	68,381
Advertising	354
Association dues and meetings	4,463
Automobile	133
Bad debts	3,283
Bank service charges	474
Broker/Dealer NASD fees	4,617
Computer	12,620
Depreciation	7,081
Gifts	708
Insurance	752
Interest	5,750
Licenses and permits	140
Miscellaneous	1,460
Office supplies	1,309
Postage and delivery	531
Professional fees	14,250
Repairs and maintenance	1,249
Stationery	194
Subscriptions	522
Taxes - local	703
Telephone	6,066
Travel and entertainment	3,129
	<u>350,940</u>
Net income	<u><u>\$ 545,193</u></u>

The accompanying notes are an integral part of these financial statements.

CONIFER INVESTMENTS, L.L.C.

Portland, Oregon

Statement of Cash Flows
For the Year Ended December 31, 2002

Cash flows from operating activities:

Net income		\$ 545,193
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 7,081	
(Increase) decrease in operating assets:		
Accounts receivable - trade	(382,683)	
Accounts receivable - expense reimbursements	(11,597)	
Increase in operating liabilities:		
Accounts payable and accrued expenses	7,220	
Deferred revenue	-	
Total adjustments		<u>(379,979)</u>
Net cash provided by operating activities		<u>165,214</u>

Cash flows from investing activities:

Capital expenditures	(9,550)	
Collection of note receivable	2,500	
Net cash used in investing activities		<u>(7,050)</u>

Cash flows from financing activities:

Distributions to members	(138,380)	
Net cash used in financing activities		<u>(138,380)</u>

Increase in cash and cash equivalents 19,784

Cash and cash equivalents at beginning of year 83,505

Cash and cash equivalents at end of year \$ 103,289

The accompanying notes are an integral part of these financial statements.

CONIFER INVESTMENTS, L.L.C.

Portland, Oregon

Statement of Changes in Members' Equity

For the Year Ended December 31, 2002

Balance at January 1, 2002	\$ 87,134
Distributions to members	(138,380)
Capital contributions	-
Net income	<u>545,193</u>
Balance at December 31, 2002	<u><u>\$ 493,947</u></u>

The accompanying notes are an integral part of these financial statements.

CONIFER INVESTMENTS, L.L.C.
Portland, Oregon

Statement of Changes in Liabilities Subordinated to Claims of Creditors
For the Year Ended December 31, 2002

Subordinated borrowings at January 1, 2002	\$ 50,000
Increases (Decreases)	<u>-</u>
Subordinated borrowing at December 31, 2002	<u><u>\$ 50,000</u></u>

The accompanying notes are an integral part of these financial statements.

CONIFER INVESTMENTS, L.L.C.
Portland, Oregon

Notes to Financial Statements
December 31, 2002

1. Organization and Nature of Business

Conifer Investments, L.L.C. (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company is an Oregon limited liability company located in Portland, Oregon. The Company provides investment banking services to corporate clients, who are currently primarily located in South Dakota and Texas and who are primarily in the energy and financial services industries. In the ordinary course of business the Company does not obtain collateral from its clients.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Banking

Investment banking revenues are fees earned for providing merger-and-acquisition, advisory and equity private placement services to corporate clients. Included in these revenues are advisory and success fees. Success fees are recorded upon the attainment of predetermined objectives pursuant to a written contract with a client. Advisory fees are recorded in the month in which they are earned.

Allowance for Uncollectible Accounts

Management records an allowance for uncollectible accounts receivable and unbilled receivables when they believe that realization of the recorded amount may not occur. At December 31, 2002, the allowance for uncollectible accounts is zero.

Depreciation

The cost of furniture and equipment is depreciated over estimated useful lives of the related assets. Depreciation is computed on the straight-line method for financial reporting purposes.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than 90 days that are not held for sale in the ordinary course of business.

3. Securities Owned

Securities not readily marketable include investment securities (a) for which there is no market on a securities exchange or no independent publicly quoted market, (b) that cannot be publicly offered or sold unless registration has been effected under the Securities Act of 1933, or (c) that cannot be offered or sold because of other arrangements, restrictions, or conditions applicable to the securities or to the Company.

At December 31, 2002, these securities at estimated fair values consist of warrants of \$13,100.

CONIFER INVESTMENTS, L.L.C.
Portland, Oregon

Notes to Financial Statements – Page 2
December 31, 2002

4. Subordinated Borrowing

The company has a borrowing under a subordination agreement with the majority member at December 31, 2002, as follows:

Subordination note payable bearing interest at	
11.5% per annum due September 30, 2005	<u>\$ 50,000</u>

The subordinated borrowing is available in computing net capital under the SEC's uniform net capital rule. To the extent such borrowing is required for the Company's continued compliance with minimum net capital requirements, it may not be repaid. Interest accrued and unpaid at December 31, 2002, related to the note of \$18,841 is included in accounts payable and accrued expenses. Subject to NASD approval, the Company intends to repay the note and accrued interest entirely in the first quarter of 2003.

5. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2002, the Company had net capital of \$73,956, which was \$68,956 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.39 to 1.

6. Other Requirements

The Company is exempt from the provisions of SEC Rule 15c3-3 governing reserve, possession and control requirements. As of December 31, 2002, the Company was in compliance with the conditions of the exemption. Accordingly, supplementary schedules calculating these amounts have been excluded from the supplementary information.

7. Income Taxes

The Company is a limited liability company. In lieu of corporation income taxes, the members of the Company are taxed on their allocable share of the Company's income or loss, as applicable.

8. Lease Commitments

The Company leases office space under an operating lease that expires in October 2004. Minimum future rental payments under the non-cancelable operating lease having a remaining term in excess of one year as of December 31, 2002, over the next five years are:

Year Ended December 31

2003	\$ 68,084
2004	<u>58,240</u>
Total minimum future rental payments	<u>\$ 126,324</u>

CONIFER INVESTMENTS, L.L.C.
Portland, Oregon

Notes to Financial Statements – Page 3
December 31, 2002

8. Lease Commitments – continued

Following is a summary of rental expense incurred during 2002:

Minimum rentals under operating lease	\$ 67,481
Other rental charges	<u>900</u>
Total rent expense	<u>\$ 68,381</u>

The operating lease provides for one five year renewal option.

9. Related Party Transactions

Following is a summary of balances and transactions with related parties as of and for the year ended December 31, 2002:

<u>\$ 50,000</u>	Subordinated note payable due to majority member bearing interest at 11.5% per annum.
<u>\$ 18,841</u>	Accrued interest on subordinated note payable at December 31, 2002.
<u>\$ 5,750</u>	Interest expense charged on subordinated note payable due to majority member. This amount is accrued at December 31, 2002.

10. Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense for 2002 totaled \$354.

11. Concentration of Credit Risk

The Company maintains a cash balance in a money market fund, which is not insured. The balance in the money market fund at December 31, 2002 was \$8,324.

12. Economic Dependence

During 2002, 82% and 10% of the Company's investment banking revenues were earned from two clients. At December 31, 2002, 100% of the Company's trade accounts receivable of \$420,000 was due from these clients.

13. Supplemental Disclosure of Cash Flow Information

The Company did not pay any interest or income taxes in 2002.

CONIFER INVESTMENTS, L.L.C.
Portland, Oregon

Notes to Financial Statements – Page 4
December 31, 2002

14. SIMPLE Plan

The Company maintains a SIMPLE retirement plan for its employees, wherein the Company matches employee contributions up to 3% of their eligible compensation. In 2002 the Company contributed \$4,747 in matching contributions.

SUPPLEMENTARY INFORMATION

CONIFER INVESTMENTS, L.L.C.

Portland, OregonComputation of Net Capital Under Rule 15c3-1 of the
Securities and Exchange CommissionAs of December 31, 2002

Net Capital

Total members' equity qualified for net capital \$ 493,947

Add:

Subordinated borrowing allowable in computation of net capital 50,000

Total capital and allowable subordinated borrowing 543,947

Deductions:

Nonallowable assets:

Securities not readily marketable \$ 13,100

Accounts receivable - trade 420,000

Accounts receivable - expense reimbursements 15,958

Prepaid expenses 5,660

Furniture and equipment 15,107

469,825

Net capital before haircut on securities positions (tentative net capital) 74,122

Haircuts on securities:

Fidelity cash reserves 166

166

Net capital \$ 73,956

Aggregate indebtedness

Items included in statement of financial condition:

Accounts payable and accrued expenses \$ 29,167

Total aggregate indebtedness \$ 29,167

Computation of basic net capital requirement

Minimum net capital required (based on aggregate indebtedness) \$ 1,944

Minimum net capital required (dollar minimum) \$ 5,000

Minimum net capital required (greater of above amounts) \$ 5,000

Excess net capital \$ 68,956

Excess net capital at 1,000 percent \$ 71,039

Ratio: Aggregate indebtedness to net capital 0.39 to 1

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17a-5

To the Members
Conifer Investments, L.L.C.

In planning and performing our audit of the financial statements and supplemental schedule of Conifer Investments, L.L.C. (the Company) for the year ended December 31, 2002, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

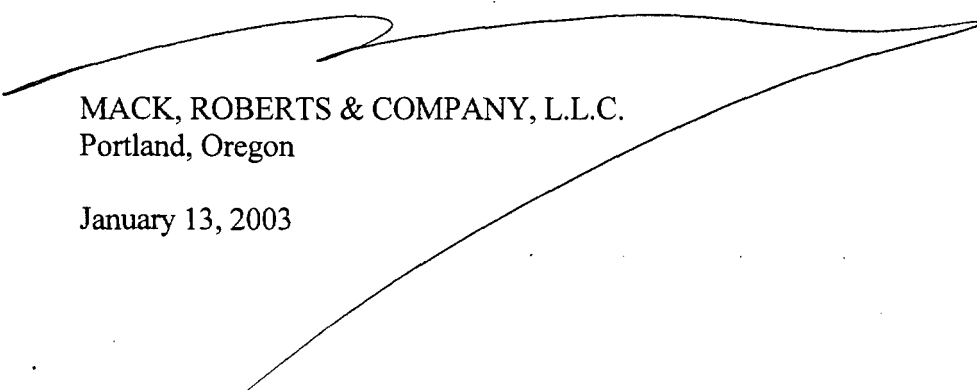
The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2002, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, the National Association of Securities Dealers Registration, Inc., and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



MACK, ROBERTS & COMPANY, L.L.C.
Portland, Oregon

January 13, 2003